

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3233-01  
BILL NO.: HB 1242  
SUBJECT: Administrative Law; Professional Licenses  
TYPE: Original  
DATE: January 25, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
General Revenue	(\$20,042)	(\$24,772)	(\$25,515)
Professional Registration Fees	\$0	\$0	\$0
Podiatric Medicine	(\$2,500)	(\$3,090)	(\$3,183)
Chiropractic Examiners	(\$145,833)	(\$180,250)	(\$185,658)
Dental Board Fund	(\$37,500)	(\$46,350)	(\$47,741)
Healing Arts	(\$105,000)	(\$129,780)	(\$133,673)
Board of Nursing	(\$96,688)	(\$119,506)	(\$123,091)
Respiratory Care	(\$3,125)	(\$3,863)	(\$3,978)
Massage Therapy	(\$25,000)	(\$30,900)	(\$31,827)
Acupuncturist Fund	(\$12,500)	(\$15,450)	(\$15,914)
Accountancy Fund	(\$80,000)	(\$98,880)	(\$101,846)
Social Work Fund	(\$18,750)	(\$23,175)	(\$23,870)
Pharmacy Fund	(\$27,083)	(\$33,475)	(\$34,479)
Cosmetology Fund	(\$4,167)	(\$5,150)	(\$5,305)

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

**FISCAL SUMMARY (continued)**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
Barber Fund	(\$833)	(\$1,030)	(\$1,061)
Real Estate Appraiser	(\$26,042)	(\$32,188)	(\$33,153)
Occupation Therapy	(\$3,938)	(\$4,867)	(\$5,013)
Geology Fund	(\$4,375)	(\$5,408)	(\$5,570)
Veterinary Medicine	(\$7,500)	(\$9,270)	(\$9,548)
Psychology Fund	(\$25,000)	(\$30,900)	(\$31,827)
Optometry Fund	(\$4,167)	(\$5,150)	(\$5,305)
Prof. Counselor	(\$5,000)	(\$6,180)	(\$6,365)
Marital and Family Therapist Fund	(\$2,500)	(\$3,090)	(\$3,183)
Interpreter Fund	(\$1,875)	(\$2,318)	(\$2,387)
Real Estate Fund	(\$62,500)	(\$77,250)	(\$79,568)
Embalmer/Funeral	(\$7,500)	(\$9,270)	(\$9,548)
Athletic Fund	(\$417)	(\$515)	(\$530)
Architects, Engineers	(\$195,313)	(\$241,406)	(\$248,648)
Tattoo Fund	(\$25,000)	(\$30,900)	(\$31,827)
Endowed Care	(\$4,167)	(\$5,150)	(\$5,305)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$954,315)</b>	<b>(\$1,179,533)</b>	<b>(\$1,214,918)</b>

Numbers within parentheses: ( ) indicate costs or losses.

**FISCAL SUMMARY (continued)**

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Health (DOH)** assume the proposed legislation would require their agency to obtain certifications of licensee complaints filed with the Administrative Hearing Commission (AHC). Specifically, DOH would be required to certify that the complaint and all supporting documentation has been reviewed and approved by an independent panel consisting of five members of the profession at issue who are not employees of that agency. DOH assumes the proposal would result in a cost of approximately \$24,050 annually for their agency, calculated as follows: \$185 per panel member per hearing, times five panel members, times 26 hearings per year.

Officials from the **Department of Economic Development – Division of Professional Registration (DED)** assume the proposal would require each board, prior to filing a complaint with the Administrative Hearing Commission, to have all complaints and supporting documentation reviewed and approved by the majority of an independent panel of five members of the profession at issue who are not employees of that board. DED assumes the proposal

ASSUMPTION (continued)

would have a fiscal impact on the following funds within their agency: Professional Registration Fees Fund; State Board of Podiatric Medicine Fund; State Board of Chiropractic Examiners Fund; Dental Board Fund; Board of Registration for the Healing Arts Fund; State Board of Nursing Fund; Respiratory Care Practitioners Fund; Massage Therapy Fund; Acupuncturist Fund; Accountancy Fund; Social Work Fund; Pharmacy Fund; Cosmetology Fund; Barber Fund; Real Estate Appraiser Fund; Occupational Therapy Fund; Geology Fund; Veterinary Medical Fund; Psychology Fund; Optometry Fund; Professional Counselor Fund; Marital and Family Therapist Fund; Interpreter Fund; Real Estate Fund; Embalmer and Funeral Director Fund; Athletic Fund; Architects, Professional Engineers and Land Surveyors Fund; Tattoo Fund; and Endowed Care Cemetery Fund.

DED assumes that the costs associated with this proposal would result in a total cost of \$1,116,625 annually. DED's costs were calculated based on the estimated number of cases filed with the AHC for each board per fiscal year. Each board estimated a cost per hour for review of the case and the number of hours for each review. The breakdown by board is as follows:  
**Healing Arts:** \$126,000 total annual cost [14 cases x 6 hours per case x \$300/hour = \$25,200 per panel member x 5 members]; **Dental Board:** \$45,000 total annual cost [20 cases x 2 hour per case x \$225/hour = \$9,000 per panel member x 5 members]; **Podiatry:** \$3,000 total annual cost [1 case x 6 hours per case x \$100/hour = \$600 per panel member x 5 members];  
**Chiropractic:** \$175,000 total annual cost [7 cases x 20 hours per case x \$250/hour = \$35,000 per panel member x 5 members]; **Nursing:** \$116,025 total annual cost [42 cases x 8.5 hours per case x \$65/hour = \$23,205 per panel member x 5 members]; **Respiratory Case:** \$3,750 total annual cost [3 cases x 10 hours per case x \$25/hour = \$750 per panel member x 5 members];  
**Massage Therapy:** \$30,000 total annual cost [6 cases x 20 hours per case x \$50/hour = \$6,000 per panel member x 5 members]; **Acupuncturists:** \$15,000 total annual cost [1 case x 20 hours per case x \$150/hour = \$3,000 per panel member x 5 members]; **Accountancy:** \$96,000 total annual cost [8 cases x 16 hours per case x \$150/hour = \$19,200 per panel member x 5 members];  
**Social Workers:** \$22,500 total annual cost [6 cases x 6 hours per case x \$125/hour = \$4,500 per panel member x 5 members]; **Pharmacy:** \$32,500 total annual cost [26 cases x 10 hours per case x \$25/hour = \$6,500 per panel member x 5 members]; **Cosmetology:** \$5,000 total annual cost [10 cases x 2 hours per case x \$50/hour = \$1,000 per panel member x 5 members]; **Barber:** \$1,000 total annual cost [2 cases x 2 hours per case x \$50/hour = \$200 per panel member x 5 members]; **Real Estate Appraisers:** \$31,250 total annual cost [5 cases x 10 hours per case x \$125/hour = \$6,250 per panel member x 5 members]; **Occupational Therapy:** \$4,725 total annual cost [1 case x 7 hours per case x \$135/hour = \$945 per panel member x 5 members];  
**Geology:** \$5,250 total annual cost [1 case x 7 hours per case x \$150/hour = \$1,050 per panel member x 5 members]; **Veterinary:** \$9,000 total annual cost [6 cases x 3 hours per case x

ASSUMPTION (continued)

\$100/hour = \$1,800 per panel member]; **Psychology:** \$30,000 total annual cost [6 cases x 10 hour per case x \$100/hour = \$6,000 per panel member x 5 members]; **Optometry:** \$5,000 [1 case x 10 hours per case x \$100/hour = \$1,000 per panel member x 5 members]; **Counselors:** \$6,000 total annual cost [2 cases x 4 hours per case x \$150/hour = \$1,200 per panel member x 5 members]; **Marital and Family Therapists:** \$3,000 total annual cost [1 case x 4 hours per case x \$150/hour = \$600 per panel member x 5 members]; **Interpreters:** \$2,250 total annual cost [1 case x 6 hour per case x \$75/hour = \$450 per panel member x 5 members]; **Real Estate:** \$75,000 total annual cost [15 cases x 10 hours per case x \$100/hour = \$15,000 per panel member x 5 members]; **Embalmers:** \$9,000 total annual cost [6 cases x 5 hours per case x \$60/hour = \$1,800 per panel member x 5 members]; **Athletics:** \$500 total annual cost [1 case x 2 hours per case x \$50/hour = \$100 per panel member x 5 members]; **Architects:** \$234,375 total annual cost [15 cases x 25 hours per case x \$125/hour = \$46,875 per panel member x 5 members]; **Tattooing:** \$30,000 total annual cost [6 cases x 20 hours per case x \$50/hour = \$6,000 per panel member x 5 members]; and **Endowed Care:** \$5,000 [1 case x 20 hours per case x \$50/hour = \$1,000 per panel member x 5 members].

DED assumes that the above-referenced funds would reimburse the Professional Registration Fees Fund to cover the costs associated with the implementation of this proposal. DED further assumes that no costs would be incurred until an appropriation is secured for implementation of the proposal, presumably effective FY 2002. **Oversight** assumes that the proposal would become effective when passed, requiring DED to comply with the provisions contained in the proposal during the remaining 10 months of FY 2001 and thereafter.

Officials from the **Office of the Attorney General**, the **Office of State Courts Administrator**, the **Office of Administration** and the **Department of Mental Health** assume the proposal would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Costs – Department of Health</u>	<u>(\$20,042)</u>	<u>(\$24,772)</u>	<u>(\$25,515)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$20,042)</u></b>	<b><u>(\$24,772)</u></b>	<b><u>(\$25,515)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>PROFESSIONAL REGISTRATION FEES FUND</b>			
<u>Costs</u> – Complaint Reviews	(\$934,273)	(\$1,154,761)	(\$1,189,403)
<u>Income</u> – DED Funds (see below)	<u>\$934,273</u>	<u>\$1,154,761</u>	<u>\$1,189,403</u>
<b>ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FEES FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT – FUNDS</b>			
<b>Board of Podiatric Medicine Fund</b>	(\$2,500)	(\$3,090)	(\$3,183)
<b>Board of Chiropractic Examiners Fund</b>	(\$145,833)	(\$180,250)	(\$185,658)
<b>Dental Board Fund</b>	(\$37,500)	(\$46,350)	(\$47,741)
<b>Registration of Healing Arts Fund</b>	(\$105,000)	(\$129,780)	(\$133,673)
<b>State Board of Nursing Fund</b>	(\$96,688)	(\$119,506)	(\$123,091)
<b>Respiratory Care Practitioners Fund</b>	(\$3,125)	(\$3,863)	(\$3,978)
<b>Massage Therapy Fund</b>	(\$25,000)	(\$30,900)	(\$31,827)
<b>Acupuncturist Fund</b>	(\$12,500)	(\$15,450)	(\$15,914)
<b>Board of Accountancy Fund</b>	(\$80,000)	(\$98,880)	(\$101,846)
<b>Social Work Fund</b>	(\$18,750)	(\$23,175)	(\$23,870)
<b>Pharmacy Fund</b>	(\$27,083)	(\$33,475)	(\$34,479)
<b>Cosmetology Fund</b>	(\$4,167)	(\$5,150)	(\$5,305)
<b>Barber Fund</b>	(\$833)	(\$1,030)	(\$1,061)
<b>Real Estate Appraiser Fund</b>	(\$26,042)	(\$32,188)	(\$33,153)
<b>Occupational Therapy Fund</b>	(\$3,938)	(\$4,867)	(\$5,013)
<b>Geology Fund</b>	(\$4,375)	(\$5,408)	(\$5,570)
<b>Veterinary Medicine Fund</b>	(\$7,500)	(\$9,270)	(\$9,548)
<b>Psychology Fund</b>	(\$25,000)	(\$30,900)	(\$31,827)
<b>Optometry Fund</b>	(\$4,167)	(\$5,150)	(\$5,305)
<b>Professional Counselor Fund</b>	(\$5,000)	(\$6,180)	(\$6,365)
<b>Marital and Family Therapist Fund</b>	(\$2,500)	(\$3,090)	(\$3,183)
<b>Interpreter Fund</b>	(\$1,875)	(\$2,318)	(\$2,387)
<b>Real Estate Fund</b>	(\$62,500)	(\$77,250)	(\$79,568)
<b>Embalmer and Funeral Director Fund</b>	(\$7,500)	(\$9,270)	(\$9,548)
<b>Athletic Fund</b>	(\$417)	(\$515)	(\$530)
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT – FUNDS (cont.)</b>			

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>Architects, Engineers, Land Surveyors</b>	(\$195,313)	(\$241,406)	(\$248,648)
<b>Tattoo Fund</b>	(\$25,000)	(\$30,900)	(\$31,827)
<b>Endowed Care Cemetery Fund</b>	<u>(\$4,167)</u>	<u>(\$5,150)</u>	<u>(\$5,305)</u>
<b>ESTIMATED NET EFFECT ON DEPARTMENT OF ECONOMIC DEVELOPMENT – FUNDS</b>	<b><u>(\$934,273)</u></b>	<b><u>(\$1,154,761)</u></b>	<b><u>(\$1,189,403)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation would require all complaints to be reviewed by an independent panel of five persons from the profession at issue before a complaint could be submitted to the Administrative Hearing Commission. The proposal would also prohibit the filing of a complaint with the Administrative Hearing Commission which contains allegations relating to actions of a licensee which occurred more than seven years prior to the date on which the complaint was received by the regulatory agency, unless the allegations caused a licensee to be found guilty or plead no contest in a criminal prosecution..

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General

MJC:LR:OD:005 (9-94)

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Department of Health  
Department of Economic Development  
Office of State Courts Administrator  
Office of Administration  
Department of Mental Health

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA  
Director  
January 25, 2000